

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 1944-01
Bill No.: HB 687
Subject: Jackson County: Public Transit, Sales Tax
Type: Original
Date: April 22, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(\$23,085) to Unknown	Unknown	Unknown
Total Estimated Net Effect on General Revenue Fund	(\$23,085) to Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **State Treasurer's** office assume no fiscal impact.

Officials of the **Department of Revenue** assume this proposal would have fiscal impact on the Division of Taxation. Officials stated that Section 195.101 RSMo, includes non-prescription drugs which would require programming to create an additional food tax location as well as a new item tax for the non-prescription drugs. Officials estimate programming costs to be \$23,085 in FY 2004, and \$0 costs in FY 2005 and 2006.

Oversight would point out that before Jackson County officials could impose the sales tax, voter approval would be required. If Jackson County officials would receive voter approval, the Department of Revenue would collect the sales tax, and would retain a collection fee of 1%. The amount of revenue that would be generated from the collection fee is unknown. ***All monies generated by the collection fee would go into the State's General Revenue Fund.***

Oversight will show fiscal impact as though Jackson County voters approved the sales tax for public transit.

ASSUMPTION (continued)

Officials of the **Department of Economic Development** assume no fiscal impact.

Officials of the **Kansas City Manager's Office** assume no fiscal impact to Kansas City.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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GENERAL REVENUE FUND

<u>Income</u> to General Revenue Fund from 1% collection Fee	Unknown	Unknown	Unknown
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<u>Cost</u> to Department of Revenue Programming costs	(\$23, 085)	\$0	\$0
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ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	<u>(\$23,085) to Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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**JACKSON COUNTY INTERSTATE
TRANSPORTATION AUTHORITY
TRANSIT TRUST FUND**

<u>Income</u> to Transit Trust Fund from sales tax	Unknown	Unknown	Unknown
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<u>Cost</u> to Transit Trust Fund providing transit services	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT TO JACKSON COUNTY TRANSIT TRUST FUND *	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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Oversight assumes costs would not exceed income, therefore, fiscal impact would either be \$0 or a positive fund balance.

FISCAL IMPACT - Small Business

This proposal exempts the sales tax from being collected on sales of food, and on sales of drugs as described in Section 195.010 RSMo. This would make the small business owner's record keeping and sales tax filings more cumbersome. Small businesses in Jackson County would have administrative impact related to the payment, administration and collection of the sales tax.

DESCRIPTION

This bill authorizes Jackson County, subject to voter approval, to impose a 0.5% sales tax on all retail sales, excluding sales on food and drugs, for transit purposes.

The bill specifies the procedures for the collection, collection cost, deposit, use, and refund of the tax. The ballot language to be used for approval of the tax is also in the bill.

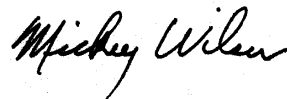
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Treasurer
Department of Revenue- Division of Taxation
Department of Economic Development
Office of Kansas City Manager

NOT RESPONDING:

Jackson County Executive



Mickey Wilson, CPA
Director
April 22, 2003

LR No. 1944-01
Bill No. HB 687
Page 5 of 4
April 22, 2003

RWB:LR:OD (12/02)